



JOHN ENGLER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF CAREER DEVELOPMENT
LANSING

DR. BARBARA BOLIN
DIRECTOR

Date: November 22, 2002

TO: Michigan Works! Agency Directors

FROM: John Williams (*SIGNED*)
Michigan Department of Career Development

SUBJECT: Partnership for Adult Learning (PAL): First time/Second Time Provider Status

SECTION 108 of the State School Aid Act states:

(11) Local workforce development boards shall reimburse eligible adult learning providers under this section as follows:

(a) For a first-time provider:

(i) Fifty percent of the contract amount shall be allocated to eligible learning providers based upon enrollment of participants in adult learning programs. "Enrollment" means a participant enrolled in the program who received a preenrollment assessment using department-approved assessment tools and for whom an individual adult learner plan has been developed.

(ii) Fifty percent of the contract shall be allocated to eligible adult learning providers based upon the following performance standards as measured in a department-approved manner:

(A) The percentage of participants taking both a pretest and a posttest in English proficiency, reading, writing, and math.

(B) The percentage of participants showing improvement toward goals identified in their individual adult learning plan.

(C) The percentage of participants achieving their terminal goals as identified in their individual adult learner plan.

(b) Beginning in 2001-2002, eligible providers that have provided adult learning programs previously under this section shall be reimbursed 100% of the contract amount based upon the performance standards in subdivision (a) (ii) as measured in a manner determined by the department.

CLARIFICATION:

First time provider status: An eligible adult learning provider that has not previously entered into a contract to provide adult learning programs under Section 108 (PAL) of the State School Aid Act.

An eligible adult learning provider's first time status remains in effect for the duration of a specific fiscal year grant allocation spending authority.

However, if an eligible adult learning provider enters into a totally separate contract with a MWA utilizing the same fiscal year grant allocation, this constitutes a new contract, and the provider would be reimbursed as a "second time provider".

Second time provider status: An eligible adult learning provider that has previously entered into a contract to provide adult learning programs under Section 108 (PAL) of the State School Aid Act, and who enters into a new contract.

If an eligible adult learning provider enters into a contract utilizing a different fiscal year grant allocation, this constitutes a new contract and the provider would be reimbursed as a "second time provider".

If an eligible adult learning provider enters into one or more contracts involving two different fiscal year grant allocations, the provider will be reimbursed as a "first time provider" under the contract utilizing the first fiscal year grant allocation, and will be reimbursed as a "second time provider" under the contract utilizing the second (new) fiscal year grant allocation.

These provisions are intended to prohibit Michigan Works! Agencies from continually extending contracts to pay eligible adult learning providers on a first time basis rather than a second time provider basis.

As a reminder, payments for new fiscal year grant allocation funds will not be initiated through the State School Aid Office until the MWA submits a PAL Final Closeout Report indicating full expenditure of previous fiscal year grant allocation funds

REFERENCES:

- State School Aid Act: Section 108 (11)(a) thru (b)
- PAL Grant Action Notice; Action Taken: "This Grant Action Notice (GAN) confirms obligation of funds allocated by the MDCE/Office of Adult Education Policy Issuance No. 01-00 and subsequent policy issuances, and approved the plan/modification submitted in accordance with the following stipulations and remarks..."
- MDCE Legal Review and Recommendation

If you have any questions or concerns, please feel free to contact Sandy Thelen at 517-373-3395 or at thelensj@michigan.gov.